

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

Kenneth Mahl

v

TransUnion, LLC

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Civil Action No.

5:22-cv-78

Plaintiff's Original Complaint

Introduction

1. To ensure the accuracy of and prevent fraud in the filing of informational returns, Congress enacted 26 U.S.C. § 7434. It provides for civil damages whenever a person or entity files fraudulent information with the Internal Revenue Service.
2. When a 1099 is filed it must reflect accurate information. The harm in reporting inaccurate information is obvious. When an informational return reports a greater income than was earned, then a taxpayer's tax burden is artificially increased.
3. Plaintiff brings this action for Defendant's violation of 26 U.S.C. § 7434 and its breach of a settlement agreement and seeks actual damages, statutory damages, attorney's fees, and costs.

Jurisdiction & Venue

4. This Court has jurisdiction of Plaintiff's claims per 26 U.S.C. § 1331.
5. Venue is proper in this district and division pursuant to 28 U.S.C. § 1391(b) as a substantial part of the events or omissions giving rise to Plaintiff's claims occurred here.

Parties

6. Plaintiff, Kenneth Mahl, is a natural person who resides in and has resided in Bexar County, Texas at all times relevant to this action.
7. Defendant, TransUnion, LLC, is a nationwide credit reporting agency who may be served with process via its registered agent The Prentice-Hall Corporation System at 211 E. 7th St. Ste 620, Austin, Texas 78701.

Facts

8. Mahl was a plaintiff in a case against TransUnion in Civil Action No. 3:20-cv-00914-IM styled *Ashlyn Meeks, Kenneth Mahl, And Anne Mclaughlin and All Others Similarly Situated v. Trans Union, LLC*, filed in the Unites States District Court for the District of Oregon, Portland Division.

9. The parties amicably resolved that matter pursuant to a confidential settlement agreement.
10. The case was dismissed in August 2021.
11. In January 2022, Mahl received a 1099 from TransUnion in the amount of \$135,000.00.
12. This 1099 is inaccurate in that it states TransUnion made a payment to Mahl that he did not receive.
13. The IRS is in possession of inaccurate tax information concerning Mahl that will significantly increase his tax burden.

First Cause of Action – IRS Code

14. A 1099 is an information return as defined by 26 U.S.C. §§ 7434(f) and 6724(d)(1)(A).
15. TransUnion violated 26 U.S.C. § 7434 in that it willfully and fraudulently stated an amount on an information return filed with the Internal Revenue Service.
16. The fraudulent information return was filed willfully with respect to Mahl.

Second Cause of Action – Breach of Contract

17. A settlement agreement is a contract between the parties.

18. Mahl and TransUnion are parties to a confidential settlement agreement.

19. Mahl performed his obligation under the settlement agreement, he dismissed or caused to be dismissed the action against TransUnion.

20. By issuing a 1099 in the amount of \$135,000 TransUnion violated the settlement agreement, greatly increasing Mahl's tax liability for tax year 2021.

Jury Demand

21. Plaintiff demands this case be tried before a jury.

Prayer for Relief

Plaintiff prays, that this Court enter judgment against Defendant and in favor of Plaintiff for:

- a. Actual damages;
- b. Statutory damages per 26 U.S.C. § 7434(b); or
- c. Actual damages per 26 U.S.C. § 7434(b)(1); and
- d. Attorney's fees, costs, and litigation expenses per 26 U.S.C. § 7434(b)(2-3);

Respectfully Submitted,

/s/William M. Clanton
William M. Clanton
Texas Bar No. 24049436

Law Office of Bill Clanton, P.C.
926 Chulie Dr.
San Antonio, Texas 78216
210 226 0800
210 338 8660 fax
bill@clantonlawoffice.com

Certificate of Service to IRS

On this day I certify that I provided a true and correct copy of this
complaint to the Internal Revenue Service via First Class Mail as required
by 26 U.S.C. § 7434(d).

Signed January 31, 2022 /s/ William M. Clanton